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Written testimony of Steven Vera , Chief Executive Officer of Wachusett Ventures, LLC , owner of three skilled nursing facilities in Connecticut Concerning the Governor's Recommended SFY 2023 Budget Revisions for Connecticut Nursing Homes

Good afternoon, Senator Osten, Representative Walker and to the members of the Appropriations Committee. My name is Steven Vera. I am Chief Executive Officer of Wachusett Ventures, LLC – owner of Parkway Pavilion Health & Rehabilitation Center in Enfield, Harbor Village Nursing & Rehabilitation Center in New London, and Villa Maria Nursing & Rehabilitation Center in Plainfield. Our facilities have been providing nursing home care in our communities for over 40 years. We have a total of 320 beds in our nursing homes, and we have over 360 employees working at our facilities, and we are members of the Connecticut Association of Health Care Facilities (CAHCF).

A Period of Trauma *and* Resilience for our Nursing Home Residents and Caregiver

Now two years into this unrelenting COVID-19 pandemic and public health emergency and I can say that our nursing homes, the residents we serve, and our employees, continue to be challenged like in no other time in our history of providing services in Connecticut. I can *also* say that our nursing home is as determined as ever, and we feel that each week we are getting closer to a time when we can say the pandemic is behind us.

Our residents and staff have experienced and dealt with nearly every feature of the pandemic from the very beginning in the Spring of 2020 when the misunderstood virus was spreading through persons showing no symptoms, and especially in regions of Connecticut experiencing high rates of community prevalence, to the most recent Omicron outbreaks experienced in almost every Connecticut nursing home. We saw first-hand the consequences of a lack of COVID-19 testing capacity in the United States and here in Connecticut, the extreme shortages of PPE, and the ever-changing CDC, CMS and DPH guidance policies that evolved as the virus became better understood in the medical, academic, and scientific communities. We experienced the severe and emotionally devastating visitor restrictions imposed early in the pandemic, and we have experienced the optimism of what the COVID-19 vaccine, and now the booster, means to our community. While the trauma our residents and caretakers faced was extraordinary, I can say that their resilience and determination was equally extraordinary.

Severe Staffing Shortages is Hindering Admissions, Increasing Labor Costs and Slowing the Nursing Home Recovery Plan

The severe staffing shortages our nursing homes face is far and above the most significant challenge we are dealing with at this stage of the pandemic.

The staffing shortages our nursing homes are experiencing are like no other time in all of our years of providing skilled nursing home services. For example, collectively our facilities are operating with a vacancy rate of 31.6% for licensed personnel and 26% for certified nursing assistants. Collectively, we have a total of forty-six (46) Full-Time Equivalent vacancies. These numbers are astronomical in comparison to pre-pandemic vacancies.

The staffing shortages are so significant that our nursing home routinely is unable to accommodate admissions from hospitals as we are not able to address the care needs of additional residents without staff. This fact is

causing patients to stay in hospitals longer than they may need and not allowing them to proceed to the proper level of care.

Consequently, the occupancy in our buildings is much lower than normal, but the low number is really a distortion caused by the staffing shortages and how it impacts admissions and occupancy levels. It's not at all a true reflection of the need or demand for our services, but it is a reality. We fully expect to improve over time as the staffing situation improves, but we are concerned that this will be a slow process, perhaps years long, as our state and overall health care system recovers from the pandemic. Our nursing home's labor-related costs began an unprecedented dramatic rise last Fall and is showing no sign of relenting. Our facilities offer a variety of incentives programs to try to overcome this staffing obstacles – sign-on bonuses (up to \$ 10,000 for some positions); shift pick-up bonuses (sometimes over \$ 150 per hour for an 8 hour shift); staffing agency expenses – now over \$ 100,000 per month higher than our pre-pandemic utilization.

Nursing Staffing Pools and Negative Impact on Care and Increased Costs

Our nursing homes have been very negatively impacted by the staffing shortages in so many ways, but the impact of having to turn to nursing staffing agencies, has been particularly troublesome. Using these nurse staffing pool agencies has been a measure of last resort at our nursing home. From a patient care perspective, it runs counter to the consistent assignment of staff to our residents that has been our longstanding practice. However, like so many other nursing homes we have had to utilize this option. The financial consequences have been enormous. We are seeing unbelievable spikes in the costs of staffing agencies. We understand the Connecticut Attorney General is reviewing these pricing practices and we believe Connecticut should pass legislation that caps these abnormal and harmful fees. As I stated above, our staffing agency expense has increased more than \$ 100,000 per month since the pandemic started two years ago. In addition, the cost of these nursing staffing pools have increased since the start of the pandemic and with increased demand for their services. For example, we have had agencies charge up to \$ 115 per hour for a Registered Nursing and over \$ 75 for a certified nursing assistant. These figures are more than 100% higher than similar charges pre-pandemic.

We are also concerned about the COVID-19 staff booster mandate now extended to March 7, 2022, and how the staffing situation will be worsened if we have staff layoffs as a result. While we achieved 100% compliance with the primary staff vaccine regimen, unfortunately we are having a much more challenging time with the booster. This is consistent with what our colleagues are experiencing across the healthcare spectrum and the reasons are diverse and complex. But whatever the reasons, we are very concerned that much more time will be needed.

The Connecticut General Assembly has provided a Lifeline of Nursing Home Support, But the Staffing Issues Remain Unaddressed

Before closing, we must thank the state legislature for the tremendous support we have received that has provided additional support for our employees and stability during this period. Our nursing home faithfully implemented the 4.5% employee wage enhancements adopted last session, and moving forward with additional health care and pension benefits adopted last session as well---these are critically important employee recruitment and retention resources, but more help is needed to further bolster employee wages and benefits and in additional financial rate relief to address the extraordinary increased labor costs now being experienced and not reflected in any of the prior support we have received.

Thank you. I would be happy to answer any questions you may have.

